



Remarks For

The Hon. Jovita Carranza  
Deputy Administrator  
U.S. Small Business Administration

Delivered At The

**SMALL/MINORITY/WOMEN AND VETERAN BUSINESS  
OWNER CONFERENCE**

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Good afternoon. Thank you for having me here to speak at this terrific event. And thank you, Pam [Sapia], for that very nice introduction.

I hope that you all had productive sessions this morning. There is an impressive agenda today and lots of opportunity to learn, and so I strongly encourage you all to make sure that you are taking full advantage of these opportunities.

I'd like to start by thanking everyone who helped to make this event happen today.

Starting out on your own, often with nothing more than an idea and a dream of making it a business, is incredibly challenging. It takes courage, initiative, resourcefulness, and – most of all – lots and lots of hard work. Often, you need to fill a few gaps as well. As the owner of a small business, you are president, CEO, head of marketing and sales, and also the person stuck fixing the copy machine when it breaks. No matter what your business needs, you are responsible for it. And that's why it's so helpful to have all of these resources here today, to help you fill some of those gaps.

Being an entrepreneur requires you to ask yourself these questions constantly – questions about what you and your businesses needs. But I hope you take the time to step back and also ask yourself what owning a small business means for you – and what it means for your families, and for your communities.

Entrepreneurs can be agents of change for their communities. Successful small businesses are the economic building blocks of vibrant communities, and this is why the SBA is committed to enabling their success.

I remember growing up in a second generation Mexican immigrant household in Chicago's melting pot. We lived in a diverse neighborhood, where I had to find creative ways to overcome language barriers.

But I was always drawn to the business world.

I learned about entrepreneurship from my paternal grandmother in Mexico, who I visited in the summers. I was amazed how she made her living by selling goods from her home after my grandfather passed away.

Through my almost 30 years at UPS to when I came to the SBA last December, I have not forgotten that lesson. As a woman, a Hispanic, a businessperson, and an appointee of President Bush, I can relate to the many contributions that women and minorities are making to our workforce and our economy.

Currently, more than 18 percent of business enterprises in the United States are minority owned. That is an impressive increase over the early 1980s, when minorities owned only around 7 percent of the businesses in the country.

Women have also made big strides in business ownership. In all, firms in which women own at least half make up 41 percent of all privately held firms in the country. This wasn't always the case. Thirty-five years ago it was a very different story; women only owned around 10 percent of businesses.

But as of 2004, one in eleven adult women is an entrepreneur, and one in eleven Americans goes to work each day for a women-owned business.

Veterans are also a substantial part of America's entrepreneurial community. Fifteen percent of veterans are small business owners, and roughly the same percentage of small business owners are veterans. It's no surprise to me that the skills and training that these men and women develop during their service leaves them well equipped to own and run small businesses.

Overall, more than 99 percent of businesses in the United States are small. And they make vital contributions to our economy. Small businesses:

- Drive job creation, creating 60 to 80 percent of new jobs each year
- Employ half of the private workforce
- Account for half of non-farm GDP

- Are major drivers of innovation, yielding 13 times more patents per employee than their larger counterparts.

The Small Business Administration enables this success by providing small business loan guaranties that help the private sector extend capital further. Through our resource partners and District Offices, we offer counseling and technical assistance for small businesses. And we help small firms compete for federal contracts.

The first way we help small businesses get off the ground – to grow and to expand – is by enabling access to capital. Small businesses depend on this capital to succeed. In the last fiscal year, the SBA approved more than \$20.6 billion in guarantied loans to small businesses. In each of the past six years, the SBA has set a new record for loans to small businesses.

Last year, close to \$7 billion went to more than 34,000 minority-owned businesses. That's more than one-third of all loan dollars we approved last year, and it was a record for the agency.

In San Antonio, the SBA approved close to \$30 million in small business loans under our 7(a) and 504 lending programs in the last fiscal year.

Of that, \$14 million – close to half of all loan dollars – went to minority small business owners. Close to \$5 million went to veterans in San Antonio, and more than \$7.1 million went to women-owned small businesses.

These statistics are in keeping with what we see for overall SBA lending. A soon-to-be released study finds that the dollar volume of SBA-backed loans to minority-owned businesses was five times greater in relation to overall dollar volume than conventional small business loans. And it was eight times greater to women-owned businesses. The SBA is not simply duplicating what the lending industry is already doing.

Our lending efforts extend specifically to veteran-owned small businesses as well. To help veteran-owned small businesses, we announced a new loan product in June called Patriot Express. Designed specifically for our military community, Patriot Express combines the most appealing terms of our 7(a) loans – including our lowest interest rates – with the expedited processing of our Express loans.

As with most of SBA's loans, the Patriot Express loan can be applied to almost any business-related expense including start-up fees, expansion, equipment purchases, inventory, or real-estate needs.

We introduced this product less than six months ago, and already close to 600 Patriot Express loans have been approved for more than \$60 million.

There's a workshop today to learn more about the Patriot Express loan. It's a great product, and we're proud to be able to offer it to the men and women who sacrifice so much to defend our freedom.

Patriot Express is only one small part of the services we provide for veterans. Last year, SBA guaranteed more than \$1 billion overall for entrepreneurs in our veteran community.

SBA also provides veteran-specific counseling. SBA Veterans Business Development Officers are located around the country in all 50 states and in 68 district offices.

Thanks to our 5 Veteran Business Outreach Program Centers, we've provided counseling and training to nearly 14,000 veterans, Reservists, and service members.

The SBA's resource partners helped more than 97,000 veteran entrepreneurs last year.

Counseling and technical assistance is the second way that we help small businesses succeed. More than 1.4 million small businesses were reached last year through SBA's technical assistance program. And our website, SBA.gov, is a great supplement to face-to-face counseling. It had more than 26 million visits last year.

Here in San Antonio, our resource partners do a tremendous job counseling small businesses on a daily basis. They are the ones who are out there in the field ensuring that entrepreneurs have the skills they need to succeed.

I'd like to take a moment to thank some of these people. If you haven't had the chance to meet these folks, I encourage you to do so. They are a tremendous resource for you and your business, and can provide the counseling and technical assistance you need. They can also help connect you with the capital your business needs to start and grow.

From the new South Texas Womens Business Center, Mellissa Aguillon, Program Manager. And from the Austin Women's Business Center, Shawn Lemieux.

Peter Carvel is the SCORE District Manager, and Gordon Sanford and Jack Greyer are the District Chairs for the San Antonio and Austin chapters, respectively.

The Regional Network Director from the South-West Texas Border Small Business Development Center is Albert Salgado. And the SBDC Center Director at UT at San Antonio is Morrison Woods.

Finally, SBA's District Offices are a great portal to all of the products and services we offer, and you all heard from Pam Sapia, SBA's San Antonio District Director, earlier.

For your hard work and dedication to America's small businesses, I want to thank all of you.

Whether you need help assembling a business plan, designing a marketing strategy, or planning for one of many other aspects of running your business, SBA and our resource partners – SCORE, Small Business Development Centers, and Womens Business Centers are there to help.

The third way that the SBA helps small businesses succeed is by helping them compete for federal contracts. The U.S. government is the largest purchaser of goods and services in the world. It spent more than \$340 billion in fiscal 2006, and close to \$80 billion of that went to small businesses.

Federal contracting dollars increased by \$1.7 billion for veteran-owned business from fiscal 2005 to 2006.

Women's procurement increased by a billion and a half dollars – fully 15 percent – from 2005-2006.

Contracting dollars to firms in Historically Underutilized Business Zones, or HUBZones, also increased by \$1 billion from 2005 to 2006.

I'm sure that you all understand that making sure small businesses are competitive in the federal procurement process is more than an issue of fairness – it's simply good business. Small firms are flexible, dynamic, have great customer service, and are often better to do business with than their larger

counterparts. But because they are smaller, they don't have the same marketing resources, and so they can be harder to find.

That's where the SBA helps out. The federal government has an overall goal of awarding 23 percent of its federal contract dollars to small businesses. The SBA helps federal agencies work toward meeting that goal.

This summer, for instance, we published an inaugural Scorecard that rates agencies on their attainment of small business contracting goals, and their progress toward those goals. These agencies are then awarded green, yellow, or red, depending on how well they do. The Scorecard is an important tool to show, in a very approachable way, how well agencies are doing in terms of their small business contracting goals.

We have also made changes to improve the accuracy and integrity of contracting data. That way, agencies know how well they are really doing in meeting their goals. This will, in turn, encourage federal agencies to do a better job searching out small businesses for contracts.

These are the ways that SBA works to enable you to succeed. We've helped entrepreneurs across the country – entrepreneurs like San Antonio business woman Valerie Gonzales, who transformed her local company “Delicious Tamales” from a small tamale plant into a major producer that ships tamales across the country – even to Alaska and Hawaii.

SBA was able to help Valerie and her business with three loan guaranties. The first to build a freezer plant; the second to build a restaurant adjacent to the factory; and the third to help Valerie buy out her partner.

“Delicious Tamales” now employs between 30 and 40 workers, and adds around a dozen temporary employees to meet demand during the peak season. Small businesses like Valerie Gonzales' – and yours – are the engine of American economic growth. And the SBA is fully committed to enabling your success.



If your companies get some help from the SBA along the way, then you are in good company. We helped out some of America's corporate icons on their way to the top. Apple, FedEx, Intel, NIKE, and Staples all received SBA support at one point in their history.

I hope that you keep in mind all that the SBA and our resource partners can do to help you – and to help your business grow and succeed. And as you head into workshops this afternoon, I urge you take full advantage of the great opportunities you have today.

Thank you again for the opportunity to speak here today.